

MEMORANDUM

SUBJECT: Spanish Internal Stability

The transformation from Francoist authoritarianism to parliamentary democracy in Spain is still on track, largely due to the moderation and desire for consensus that has dominated relations among the major parties for almost two years. The moderation of the major political actors is partly a legacy of the Civil War, which serves as a constant reminder of how quickly polarization can get out of hand. It has allowed Prime Minister Suarez to pull off a delicate balancing act to overcome the minority status of his government--he lacks ten seats in the lower house--and chalk up an impressive list of achievements since the first free parliamentary elections of June 1977:

--All seven parliamentary groups, including the Communists, accepted a moderately austere economic program last fall and, by and large, have adhered to it.

--All but the small rightist Popular Alliance have also signed a similar pact aimed at controlling terrorist violence and keeping the security forces under better government control.

--Regional unrest has been dampened (except in the volatile Basque provinces) by grants of provisional autonomy and by promises of a more formal devolution of powers under the new constitution.

--Labor unrest has been contained and the first free plant-level elections in forty years were held this spring.

--The draft of a new constitution has just passed the lower house of parliament and is now being considered by the upper house; it will probably be approved by popular referendum this fall.

Major obstacles to the peaceful consolidation of Spanish democracy still lie ahead, however. The most immediate of these is the issue of Basque demands for autonomy. The essentially moderate Basque Nationalist Party, which represents the vast majority of the ethnically Basque population of the region, is wavering in its support for the new constitution

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because it provides only limited autonomy for the Basques. Increasingly worried that they will lose support to more radical Basque groups if they do not make a show of standing firm against the Madrid government, the Basque Nationalists absented themselves from the constitutional vote in the lower house. There is still hope that face-saving adjustments can be made to the draft during the debate in the upper house that would allow the Basque Nationalists to accept the constitution; if they do not, it is unlikely to achieve the desired consensus vote in the Basque region and this would cast a cloud over future relations between those troubled provinces and Madrid.

Basque terrorists (ETA), meanwhile, are making a last-ditch bid to derail the Madrid government's program of limited autonomy and prevent the ratification of the constitution. The ETA (see attachment for background) will settle for nothing less than a completely independent, Marxist Basque nation. Though few in number, these terrorists are well-organized and effective; since 1975 they have assassinated over 60 people--mostly policemen, politicians, and "informers"--and caused a great deal of damage. Moreover, the ETA is aided and abetted by a larger group of sympathizers who see them as heroes of the former struggle against Franco and as symbols of continued resistance to control by Madrid.

The problem is most acute in the Basque region, partly because of the efficiency of the ETA and partly because of the Spanish military's extreme sensitivity to Basque separatist aspirations. The military's visceral hostility toward the Basques--who were among Franco's bitterest enemies--gives the government very little maneuvering room in which to make concessions to the Basque Nationalists. Perhaps sensing that this may be the weak link in the chain of consensus that is holding Spain together, the ETA seems to have decided to provoke the military.

--On 18 June an ETA commando group forced its way into the headquarters of the military governor of Guipuzcoa, possibly intending to kidnap the governor. They were foiled when a rifle went off prematurely, alerting the guard.

--On 21 July terrorists killed a general and his aide in Madrid--the first purely military assassination in recent years.

--On 28 August terrorists killed four policemen in three different regions of northern Spain, including two in the Basque area.

In both of the latter cases, there are indications that the ETA cooperated with the other major Spanish terrorist organization, the leftist Groups of Anti-Fascist Resistance--1st of October (GRAPO).

GRAPO has hitherto operated primarily in Madrid and Barcelona, while the ETA activities are limited largely to the Basque region. If the two have indeed joined forces to expand the terrorist battlefield, this will be a cause of major concern to the military, which can be expected to step up pressure on the government to crack down on public order.

Both the ETA and GRAPO hope that a military takeover with Francoist-style repressions will lead to a mass uprising of the Spanish people. The majority of military leaders, however, are loyal to the King and to the constitution and have no desire to intervene. They are not likely to do so unless:

--Public order breaks down to such an extent that the paramilitary police forces--the Armed Police and the Civil Guard--cannot contain it.

--A succession of top political and military leaders are killed or kidnapped. (At a guess, this would probably have to include people like the King and the Prime Minister.)

--The government shows signs of caving in to Basque separatist demands.

We believe that both the government and the Basque Nationalists realize how high the stakes are and that both are still willing to work for a solution. Working out an acceptable compromise on Basque autonomy, however, will take all of Suarez' negotiating skills and a high order of statesmanship from the Basque Nationalists. Given the alternatives, both sides are likely to give as much as they can. In these negotiations, Suarez has the support of the leftist opposition; that and the shared recognition by all parties that Spanish democracy cannot be consolidated without a measure of stability in the Basque country give grounds for hope. It is likely to be a close thing, however.

Spanish security forces are probably strong enough to handle anything short of a general uprising. The paramilitary Armed Police (who are responsible for public order in the cities) and the Civil Guard (who patrol rural areas and towns) are tough and efficient. In 1975 they penetrated both ETA and another terrorist organization called FRAP and crippled them with sweeping arrests. Little has been heard of FRAP since then. Early last year Spanish police succeeded in freeing a general and a prominent official who had been kidnapped by GRAPO. Recently, however, there have been disquieting signs of morale and discipline problems--especially among Armed Police units stationed in the Basque country. Long used to Francoist methods of repression, many policemen are doubtless frustrated by the constraints imposed on their behavior under the new democracy. They grumble that the government is not giving them the support they need to crack down on terrorists and other extremists, and they feel vulnerable,

especially in the Basque region where they are the primary target for ETA bullets. The Madrid government is clearly concerned by this development and is undertaking various reforms to remedy the situation.

The ETA condemns nuclear projects in the Basque region as an attempt to create a "nuclear reserve for the oligarchic interests," and it was responsible for the attack last March on the IBERDUERO plant under construction at Lemoniz, when two Basque workers were killed and an estimated \$2-3 million worth of damage was caused. Nuclear facilities, however, are only one of several types of target for ETA, whose motivations remain primarily political. Security measures reportedly have been stepped up at Lemoniz, and it seems unlikely that ETA will risk another strike there in the near future. This is particularly true because there are many other tempting targets where an attack would involve less risk and provide equal or greater political impact.

GRAPO concentrates on killing policemen and bombing installations that symbolize the establishment. It has not yet attempted an attack on a nuclear facility, but it has never hidden its admiration for the ETA. If the two organizations are indeed collaborating now, GRAPO may try to emulate the ETA raid on Lemoniz elsewhere in Spain--although, just as with the ETA, it would weigh the risks against the benefits and would probably choose another target if security at the nuclear facility appeared strong.

The new constitution is likely to be ratified this fall, but the shape of political events thereafter remains shadowy. Legislative elections are not due until 1981, but the opposition alleges that once the constitution has been ratified the government will have fulfilled its mandate. Suarez is concerned that the two parties of the left, the Socialists and the Communists, will benefit from their stronger grass roots organization and outpoll the governing party in the long overdue municipal elections (as yet unscheduled, but likely to be held early next year). The Prime Minister may therefore opt to call for early legislative elections--perhaps as early as late 1978--in hopes that his party will have a better chance at this level, particularly if the ratification of the constitution produces a groundswell of popular approval for the government. In any case, no decision is likely until after the constitution has been ratified.

The approval of the new constitution may usher in a new phase of more confrontational politics as parties jockey for position in preparation for local or legislative elections. This phase will put to a new and more severe test the moderation of Spain's political leaders and their willingness to place the good of the country ahead of their personal ambitions. Meanwhile labor, largely quiescent for the past year, may lose patience with the austerity program as unemployment

(already over eight percent) continues to rise. Labor pressure will make the next agreement among the parties on the austerity program which expires at the end of this year, more difficult to achieve.

Attachment

The Basque Terrorist Organization ETA

ETA (Euzkadi Ta Azkatasuna--Fatherland and Liberty) appeared around 1960-- the outgrowth of dissatisfaction within the Basque Nationalist Party's youth group over the party's rejection of an all-out struggle for Basque independence.

ETA has split repeatedly over tactics and ideology. The relationship between Basque nationalism and marxism has been a particularly contentious issue (as far as we know, all ETA adherents are leftists of one sort or another). The "military front" faction is currently the strongest and has been responsible for most of the ETA terrorism over the past few years. It is clearly Marxist.

[REDACTED] Terrorists can count on passive support from a much wider circle of Basques, particularly when tension between Madrid and the Basque country is at a high point.

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ETA's basic aim over the years has been to maintain a cycle of terrorist violence and police overreaction, with the goal of keeping Basque antipathy toward Madrid at a high level and persuading the central government that there is no way out short of Basque independence. Most of its actions have taken place in the Basque country; favorite ETA targets are police and government officials and Basque "collaborationists." ETA was also responsible for the assassination of Prime Minister Carrero Blanco in Madrid in 1973. Along with several non-Basque groups it claimed responsibility for the murder of a Spanish general and his aide in Madrid last month.

Beginning in 1967 ETA terrorism led the government to declare five states of exception in the Basque country, and in 1975 the government proclaimed a two-year antiterrorist decree that amounted to a national state of exception. With the advent of the Suarez government, however, Madrid adopted a less draconian approach to the Basque question and gradually made it clear that Basque autonomy was a genuine possibility. Several amnesty decrees have freed all suspected Basque terrorists, and ETA's political arm was legalized last January. Popular support for the terrorists has declined, but the events in July, combined with the ETA military wing's record of over 25 assassinations since the beginning of 1978, makes it clear that the organization still has considerable trouble-making potential.

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